

DEPARTMENT OF STATE REVENUE

Revenue Ruling 99-03 ST

June 4, 1999

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superceded or deleted by publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUES

I. Taxability of Scooters.

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1, IC 6-2.5-5-18, 45 IAC 2.2-5-28

Taxpayer requests the Department to rule on the taxability of scooters.

II. Taxability of Wheelchair Ramps

Authority: IC 6-2.5-2-1, IC 6-2.5-4-1, IC 6-2.5-5-18, 45 IAC 2.2-5-28

Taxpayer requests the Department to rule on the taxability of wheelchair and threshold ramps.

STATEMENT OF FACTS

The Taxpayer intends to sell electric scooters directly to handicapped users. The Taxpayer also plans to offer a variety of different light weight ramps for wheelchairs or scooters that can be attached to a vehicle or installed in a threshold of a handicapped person's home. These ramps will be sold directly to the handicapped users.

I. Taxability of Scooters

DISCUSSION

Pursuant to IC 6-2.5-2-1, a sales tax, known as state gross retail tax, is imposed on retail transactions made in Indiana. IC 6-2.5-4-1 provides that a retail transaction involves the transfer of tangible personal property. However, pursuant to IC 6-2.5-5-18, medical equipment, supplies, and devices are exempt from the state gross retail tax if they are prescribed by a person licensed to issue the prescription. Rule 45 IAC 2.2-5-28 defines

“medical equipment, supplies or devices”, as items, the use of which is directly required to correct or alleviate injury to, malfunction of, or removal of a portion of the purchaser’s body. Here, the scooters may be required to correct or alleviate injury to a portion of the purchaser’s body, hence, can be sold exempt from sales/use tax when prescribed by a person licensed to issue a prescription.

RULING

The Department rules that scooters that have been prescribed by licensed doctors are not subject to gross retail tax; scooters without a prescription are subject to sales tax.

II. Taxability of Wheelchair Ramps

DISCUSSION

Pursuant to IC 6-2.5-5-18, sales of “medical equipment, supplies and devices are exempt from the state gross retail tax if the sales are prescribed by a person licensed to issue the prescription.

RULING

The Department rules that sales of wheelchair and threshold ramps that have been prescribed by licensed doctors are not subject to gross retail tax; sales of wheelchair and threshold ramps without a prescription are subject to sales tax.

CAVEAT

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer’s facts and circumstances, as stated herein, are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling, a change in a statute, regulation, or case law could void the ruling. If this occurs, the ruling will not afford the taxpayer any protection.

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